

1247

RECEIVED
LEGISLATIVE AUD
03 NOV -5 AM 11

**ST. MARTIN, IBERIA, LAFAYETTE
COMMUNITY ACTION AGENCY, INC.**

Financial Report

Year Ended May 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/12/03

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
Statement of financial position	3
Statement of activities	4-5
Statement of cash flows	6
Notes to financial statements	7-15
SUPPLEMENTAL INFORMATION	
SCHEDULE OF INDIVIDUAL FUNDS	
Combining statement of financial position	22-28
Combining statement of activities	29-35
Indirect cost pool - statements of revenue and expenses	36
Statement of functional expenses	37-41
COMPLIANCE, INTERNAL CONTROL AND OTHER GRANT INFORMATION	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	43-44
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	45-46
Schedule of Expenditures of Federal Awards	47-48
Notes to Schedule of Expenditures of Federal Awards	49
Schedule of Findings and Questioned Costs	50-51
Summary Schedule of Current and Prior Audit Findings and Management's Corrective Action Plan	52-53

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

WEB SITE:
WWW.KSCRCPAS.COM

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Allen J. LaBry, CPA
Harry J. Clostiq, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA
Robert S. Carter, CPA
Daniel W. Alexander, CPA

INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

We have audited the accompanying statement of financial position of St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization) as of May 31, 2003, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Agency's 2002 financial statements and, in our report dated August 9, 2002, we expressed an unqualified opinion on those financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Martin, Iberia, Lafayette Community Action Agency, Inc. as of May 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 7, 2003 on our consideration of St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Othello, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

Our audit was performed for the purpose of forming an opinion on the financial statements of St. Martin, Iberia, Lafayette Community Action Agency, Inc. taken as a whole. The supplementary information (pp.16-54) is presented for purposes of additional analysis and is not a required part of the financial statements of the Agency. The accompanying schedule of expenditures of federal awards (pp.47-48) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is also not a required part of the financial statements of the Agency. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
August 7, 2003

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Financial Position

May 31, 2003

ASSETS

Current assets:

Cash	\$ 891,679
Receivables:	
Grant funds	286,175
Other	393
Prepaid expenses	<u>146,191</u>
Total current assets	1,324,438

Property and equipment (net)	<u>4,112,161</u>
------------------------------	------------------

Total assets	<u>\$ 5,436,599</u>
--------------	---------------------

LIABILITIES

Liabilities:

Current liabilities:

Accounts payable	\$ 303,699
Current portion of long-term debt	20,159
Retirement plan payable	6,042
Unearned grants	32,413
Other liabilities	<u>251,447</u>
Total current liabilities	<u>613,760</u>

Long-term liabilities:

Notes payable	<u>480,727</u>
---------------	----------------

Total liabilities	<u>1,094,487</u>
-------------------	------------------

NET ASSETS

Unrestricted	(177)
Temporarily restricted	<u>4,342,289</u>
Total net assets	<u>4,342,112</u>

Total liabilities and net assets	<u>\$ 5,436,599</u>
----------------------------------	---------------------

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Activities
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

			Totals	
			(Memorandum Only)	
	Unrestricted	Temporarily Restricted	2003	2002
Public support:				
In-kind contributions	\$ -	\$ 2,174,402	\$ 2,174,402	\$ 2,116,808
Donations	23,578	134,819	158,397	25,542
Total public support	23,578	2,309,221	2,332,799	2,142,350
Grants from governmental agencies	35,837	13,337,507	13,373,344	12,420,533
Other revenue:				
Miscellaneous	-	77,862	77,862	101,902
Total public support, grants from governmental agencies and other revenue	59,415	15,724,590	15,784,005	14,664,785
Expenses:				
Program services -				
Transportation	-	423,795	423,795	375,977
Project Independence Jobs	-	254,812	254,812	194,439
CSBG	-	824,316	824,316	780,497
Food Reimbursement	-	753,437	753,437	641,434
Shelter Fund	-	193	193	1,310
Olivier Street Project	-	-	-	4,020
Weatherization	-	153,915	153,915	174,599
HUD	-	19,969	19,969	36,524
Local Government Support	-	61,785	61,785	44,504
St. Martin Parish Emergency Assistance	-	30,907	30,907	46,804
Computer Technology	-	118,860	118,860	67,386
Iberia Food & Medical	-	14,151	14,151	10,722
Homeless Family Shelter	-	-	-	608
Iberia Parish Special Trust	-	15,136	15,136	13,400
Lafayette Emergency Food & Shelter	-	6,507	6,507	860
Iberia Emergency Food & Shelter	-	19,469	19,469	17,491
Head Start	-	9,767,358	9,767,358	9,874,536
RSVP	-	73,448	73,448	64,325
Medicaid Enrollment	-	12,987	12,987	12,959
Cookbook Fund	6,878	-	6,878	449
Family Preservation	-	14,428	14,428	5,214
Home Energy Assistance	-	1,846,016	1,846,016	797,548
Needy Family Food Distribution	-	-	-	180
Early Childhood	-	1,176,057	1,176,057	986,101

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Activities (Continued)
 Year Ended May 31, 2003
 With Comparative Totals for May 31, 2002

	Unrestricted	Temporarily Restricted	Totals (Memorandum Only)	
			2003	2002
Child Welfare Resource Center	-	49,427	49,427	158,434
Group Mentoring	-	6,395	6,395	-
Fatherhood Initiative	-	11,136	11,136	-
Youth Initiative	-	1,845	1,845	-
Community Response Initiative	-	52,028	52,028	-
Total program services	<u>6,878</u>	<u>15,708,377</u>	<u>15,715,255</u>	<u>14,310,321</u>
Supporting services -				
General	75,551	-	75,551	27,243
Indirect Cost Pool	-	655,916	655,916	564,251
Total supporting services	<u>75,551</u>	<u>655,916</u>	<u>731,467</u>	<u>591,494</u>
Total expenses	<u>82,429</u>	<u>16,364,293</u>	<u>16,446,722</u>	<u>14,901,815</u>
Deficiency of public support, grants from governmental agencies, and other revenue over expenses	<u>(23,014)</u>	<u>(639,703)</u>	<u>(662,717)</u>	<u>(237,030)</u>
Other increases (decreases) in net assets:				
Operating transfers in	37,725	802,108	839,833	49,667
Operating transfers out	(73,605)	(766,228)	(839,833)	(49,667)
Indirect cost transferred from programs	-	553,373	553,373	610,944
Gain (loss) on disposal of equipment	-	200	200	(941)
Total increases (decreases) in net assets	<u>(35,880)</u>	<u>589,453</u>	<u>553,573</u>	<u>610,003</u>
Change in net assets (decrease) increase	<u>(58,894)</u>	<u>(50,250)</u>	<u>(109,144)</u>	<u>372,973</u>
Net assets, beginning of year	<u>58,717</u>	<u>4,392,539</u>	<u>4,451,256</u>	<u>4,078,283</u>
Net assets (deficit), end of year	<u>\$ (177)</u>	<u>\$ 4,342,289</u>	<u>\$ 4,342,112</u>	<u>\$ 4,451,256</u>

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Cash Flows
Year Ended May 31, 2003

Cash flows from operating activities:	
Change in net assets	<u>\$ (109,144)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	574,963
(Gain) loss on disposal of equipment	(200)
Decrease in grant receivables	85,836
Decrease (increase) in other receivables	17,199
Increase in prepaid expenses	(63,835)
Increase (decrease) in accounts payable	233,246
Increase (decrease) in retirement plan payable	1,488
Increase (decrease) in other liabilities	76,514
Total adjustments	<u>925,211</u>
Net cash provided by operating activities	<u>816,067</u>
Cash flows from investing activities:	
Payments for property and equipment	<u>(556,833)</u>
Cash flows from financing activities:	
Payments on notes payable	(18,756)
Decrease in bank overdrafts	(1,903)
Total cash flows used by financing activities	<u>(20,659)</u>
Net increase in cash and cash equivalents	238,575
Beginning cash and cash equivalents	<u>653,104</u>
Ending cash and cash equivalents	<u>\$ 891,679</u>
Supplemental information	
Cash paid during year for interest	<u>\$ 48,570</u>

The accompanying notes are an integral part of this statement.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The St. Martin, Iberia, Lafayette Community Action Agency, Inc. (SMILE) was created under the Economic Opportunity Act of 1964, as amended, to serve as the antipoverty agency, providing human services for the indigent and disadvantaged through research, planning, development, financing, implementation and evaluation of programs, either directly or through coordinating with other agencies, to attain social and economic independence for the benefit of all present and future generations of disadvantaged people in the Tri-Parish area. St. Martin, Iberia, Lafayette Community Action Agency, Inc. is comprised of eighteen board members, who are equal in numbers from the Community Action Councils of the St. Martin, Iberia, and Lafayette Parishes of Louisiana.

St. Martin, Iberia, Lafayette Community Action Agency, Inc. receives substantially all of its revenue from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Agency's financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Unrestricted net assets represent expendable funds available for operations which are not otherwise limited by donor restrictions. Temporarily restricted net assets consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Agency may spend the funds.

Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Those donor restricted contributions whose restrictions, however, are met in the same reporting period are reported as unrestricted support.

The Agency reports gifts of buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid investments available for current use to be cash equivalents.

D. Property and Equipment

Property and equipment is capitalized at cost. The Agency follows the capitalization policy of its cognizant agency by capitalizing all equipment costing \$250 or more. Depreciation of property and equipment is calculated on the straight-line basis over the estimated useful lives of assets as follows:

Furnitures, fixtures, and equipment	3-10 years
Automobiles	5 years
Buildings and improvements	15-20 years

E. Functional Expenses

Expenses are charged to each program based on direct expenditures incurred.

F. Compensated Absences

Compensation is paid to employees absent from work due to illness or vacation. No liability is accrued in these financial statements because the accumulated amount of accrued compensated absences is immaterial at year end.

G. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

I. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, changes in net assets and cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Prior Year Reclassification

Certain previously reported amounts have been reclassified to enhance comparability with 2003 report classifications.

K. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended May 31, 2002, from which the summarized information was derived.

(2) Cash

At May 31, 2003 SMILE had cash (book balances) totaling \$891,679. These deposits are stated at cost, which approximates market. These deposits (bank balances) totaled \$991,792, and are fully insured by FDIC insurance and securities pledged at May 31, 2003.

(3) Due To/From Other Funds

Individual balances due to/from other funds at May 31, 2003 and 2002 are as follows. The following balances have been eliminated in the statement of financial position.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

	<u>Due from other funds</u>	<u>Due to other funds</u>
Transportation	\$ 444	\$ 45,143
Early Headstart	55,068	9,575
Child Welfare Resource Center	14,969	2,128
Project Independence	11,245	38,160
CSBG	16,204	43,534
Food Reimbursement	89,339	52,679
Weatherization	12,000	5,669
HUD	9,789	3,378
Local Government Support	21,994	43,056
Iberia Food and Medical	583	5,231
Iberia Parish Special Trust	11,165	22,314
Iberia Emergency Food Shelter	-	3,799
Headstart	204,298	-
RSVP	16,703	29,882
Medicaid Enrollment	9,008	773
Family Preservation	1,710	1,746
Payroll Fund	33,936	10,254
Accounts Payable	34,237	236,731
Home Energy Assistance	28,699	5,382
General	1,528	90,148
Indirect Cost Pool	117,228	1,056
Computer Technology	1,000	15,959
Community Response Initiative	-	24,550
	<u>\$ 691,147</u>	<u>\$ 691,147</u>

Of the amounts recorded as due to/from other funds in 2003, \$33,936 relates to accrued payroll, \$34,237 relates to accounts payable, and \$117,228 relates to indirect costs payable.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(4) Restrictions on Net Assets

Temporarily restricted net assets are available for specific grant programs at May 31, 2003 as follows:

Transportation	\$ 114,843
Project Independence Jobs	75,520
CSBG	70,689
Early Childhood	414,913
Food Reimbursement	239,922
Shelter Fund	347
Weatherization	11,199
HUD	11,917
Local Government Support	50,726
St. Martin Parish Emergency Assistance	499
Iberia Food & Medical	(6,107)
Iberia Parish Special Trust	(9,402)
Lafayette Emergency Food & Shelter	6,754
Iberia Emergency Food & Shelter	(3,760)
Headstart	2,933,976
RSVP	2,919
Medicaid Enrollment	13,735
Family Preservation	4,135
Child Welfare Resource Center	44,144
Home Energy Assistance	75,514
Indirect Cost Pool	172,386
Computer Technology	100,852
Group Mentoring	3,605
Youth Initiative	5,000
Community Response Initiative	7,963
	<hr/>
Totals	\$ 4,342,289

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

Commitments and Contingencies

A. Contingent Liabilities

At May 31, 2003, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. was involved in four lawsuits. In the opinion of management and legal counsel, these lawsuits will not result in any significant monetary losses. Therefore, there has been no accrual on the balance sheet at May 31, 2003.

B. Grant audits

SMILE, Inc. receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and SMILE, Inc. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect SMILE, Inc.'s financial position.

(6) Retirement Plan

The Agency has a retirement plan that covers all employees meeting specific age and length of service requirements. The Agency will contribute to the plan the amount determined by the Agency at its discretion. The Agency may choose not to contribute to the plan for a particular plan year. There were no significant changes during the period affecting comparability. Agency contributions for the year ending May 31, 2003 was \$210,561.

(7) Economic Dependency

The Agency receives the majority of its revenue from funds provided through grants administered by the U.S. Department of Health and Human Services. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Agency receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Agency will receive in the next fiscal year.

(8) In-Kind Contributions

The Agency is allowed free use of certain facilities by landlords and is donated services by individuals. In-kind contributions are valued at the fair market value of the rent or services donated on the date of donation.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(9) Property and Equipment

Property and equipment at May 31, 2003 consists of the following:

Furniture, Fixtures and equipment	\$ 1,356,006
Automobiles	1,891,608
Buildings and improvements	4,287,649
Land	97,764
Construction in progress	<u>16,973</u>
 Total	 7,650,000
 Less: Accumulated depreciation	 <u>(3,537,839)</u>
 Net assets	 <u>\$ 4,112,161</u>

Property and equipment purchased with federal monies may revert back to the government or the sale of such property and equipment has to be approved and the proceeds from the sale are restricted. Depreciation expense for the year ended May 31, 2003 was \$574,963.

(10) Notes Payable

The Organization's note payable balances consist of the following at May 31, 2003:

Notes payable to Chrysler Financial for two vehicles. The original amount of the notes were \$39,481 bearing interest at 7.5 percent, with monthly payments of \$791, maturing February 2005.	\$ 15,160
Note payable to Hibernia, original amount of \$500,000, due in monthly installments of \$4,449, which includes interest at a rate of 8.71 percent, maturing December 2021, secured by building.	<u>485,726</u>
	<u>\$ 500,886</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

Following is the maturity of the notes payable which includes interest of \$507,360:

Years ending May 31:

2004	\$ 62,877
2005	60,088
2006	53,384
2007	53,384
2008	53,384
2009-2013	266,920
2014-2018	266,920
2019-2022	191,289
Total	<u>\$ 1,008,246</u>

The total amount of interest charged to expense at May 31, 2003 is \$48,566. It is the Agency's intent to use local funds to retire this debt each year.

(11) Individual Program Deficits

The following programs had deficit net assets at May 31, 2003:

General fund	\$ 17,110
Iberia Emergency Food and Shelter	3,760
Iberia Food and Medical	6,107
Iberia Parish Special Trust	9,402

The deficits are expected to be funded by future program revenues and/or local support monies.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Financial Statements (continued)

(12) Operating Leases

The Agency is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, therefore the results of these agreements are not reflected in property and equipment.

Rent expense at May 31, 2003 was \$206,828. The following is a schedule, by years, of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of May 31, 2003:

<u>Year Ending May 31,</u>	<u>Amounts</u>
2004	\$ 58,995
2005	32,259
2006	18,975
2007	<u>11,406</u>
Total minimum payments required	<u>\$ 121,635</u>

SUPPLEMENTAL INFORMATION

SCHEDULE OF INDIVIDUAL FUNDS

DIRECT FEDERAL PROGRAMS

Department of Housing and Urban Development

HUD Housing Counseling Program

The purpose of this grant is to provide comprehensive housing counseling to assist in improving the individual's housing conditions.

Department of Health and Human Services

Head Start Program/Early Childhood

The Head Start Program provides comprehensive early child development for disadvantaged pre-school children and their families. As part of this program, the grantee also operates a food program for qualifying students on a cost reimbursement basis through the United States Department of Agriculture.

Training and Technical Assistance Programs

This special grant provides for the training and certification of Head Start Program instructors.

Handicapped Program

This grant extends the Head Start Program to include handicapped children.

The Corporation for National Service

Retired Senior Volunteer Program (RSVP)

The purpose of this grant is to involve senior citizens in community participation projects.

Department of Education

The Community Technology Centers Program allows SMILE to provide computer technology classes to qualified individuals.

INDIRECT FEDERAL PROGRAMS

The Agency receives federal funds as the subgrantee of various departments of the State of Louisiana. The various state departments have the ultimate responsibility of reporting to the federal grantors.

Project Independence Jobs/Transportation

Provides transportation for participants and their designated children. Also, provides funds to the Transportation program to help provide services to the underprivileged.

Department of Labor

The Community Services Block Grant Program (CSBG) provides various direct program services to the needy and defrays a portion of the Agency's administrative costs.

Department of Education

The Child Care Feeding Program (Food Reimbursement) provides balanced meals to qualified children and adults in the Tri-Parish area Child Development Programs.

Department of Social Services

Weatherization Assistance Program grants and Low Income Home Energy Assistance Program (LIHEAP) grants provide services to assist needy individuals in home insulation.

Department of Housing and Urban Development

The Community Development Block Grant Program (CDBG) is to provide funds to renovate homeless shelters and provide emergency shelter for homeless persons. These funds were obtained by a grant agreement with the Lafayette Consolidated Government.

Emergency Food and Shelter National Board Program

This grant provides emergency food and shelter assistance to qualified individuals in the parishes of St. Martin, Iberia and Lafayette.

Department of Social Services

Child Welfare Resource Center – This program will establish a center to ensure the safety, well being and permanency of families who are at risk of dissolution as a result of child abuse and/or neglect.

Department of Social Services

Low Income Home Energy Assistance Program - This program provides direct payments to home energy suppliers on behalf of eligible households.

Department of Agriculture

The Needy Family Food Distribution Program provides USDA-donated food commodities to needy households in the Tri-Parish area.

(continued)

INDIRECT FEDERAL PROGRAMS (continued)

Department of Health and Human Services

Medicaid Enrollment

This grant allows SMILE to offer outreach medicaid eligibility services to specific groups of individuals by assisting potential medicaid eligibles to complete an initial application for health care coverage and in some instances by assisting medicaid beneficiaries with the recertification process.

Group Mentoring

Promotes youth development and leadership, targeting at risk youth, grades 9-12 in St. Martin Parish.

Fatherhood Initiative

Project is designed to increase the number of father and father figures in the lives of Head Start children. The activities focus on family literacy and will take place in a Head Start environment.

Youth Initiative

Designed to increase youth leadership skills, enhance literacy with Head Start families and reduce social ills plaguing disadvantaged populations.

Community Response Initiative

To provide intervention services to offset Martin Mills layoffs. Services include providing job community fair, job skills training, job recruitment/placement, emergency assistance, counseling, transportation services, child care services, healthy marriage/family support, parenting/child development training, and crisis intervention/support groups.

LOCAL PROGRAMS

The Agency receives grants from local governmental bodies and non-profit organizations.

Local Government Support (Matching Fund)

Programs that provide supplementary assistance for established programs or matching requirements for established programs.

St. Martin Parish Emergency Assistance

Funded by local contributions, this program provides emergency energy, rent and medical assistance to the qualified elderly of St. Martin Parish.

Lafayette Community Action Council

Funded by United Way of Acadiana and other local grants and contributions, this program provides energy, rent, medical and food assistance on a one time basis to qualified individuals in Lafayette parish.

Iberia Food and Medical

Funded by United Way of Iberia and other local grants and contributions, this grant provides medical and food assistance on a one time basis to qualified individuals in Iberia Parish.

Iberia Parish Special Trust

This is a special grant from the Iberia Parish Council in support of the U.S.D.A. Commodity Distribution Program for Iberia Parish.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Transportation	Summer Enrichment	Project Independence Jobs	CSBG	Early Childhood	Food Reimbursement
ASSETS						
Current assets:						
Cash	\$ 15,358	\$ -	\$ 2,816	\$ 2,462	\$ -	\$ 112,042
Receivables:						
Grant funds	38,785	-	19,817	60,010	-	99,264
Due from other funds	444	-	11,245	16,204	55,068	89,339
Other	-	-	-	143	-	-
Prepaid expenses	19,898	-	12,501	468	1,839	4,543
Total current assets	74,485	-	46,379	79,287	56,907	305,188
Property and equipment (net)	105,367	-	70,107	46,084	376,835	-
Total assets	\$ 179,852	\$ -	\$ 116,486	\$ 125,371	\$ 433,742	\$ 305,188
LIABILITIES						
Liabilities:						
Current liabilities:						
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	45,143	-	38,160	43,534	9,575	52,679
Accounts payable	4,526	-	2,806	10,725	8,831	12,466
Notes payable	8,621	-	-	-	-	-
Retirement plan payable	181	-	-	423	423	121
Unearned grants	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total current liabilities	58,471	-	40,966	54,682	18,829	65,266
Long-term liabilities:						
Notes payable	6,538	-	-	-	-	-
Total liabilities	65,009	-	40,966	54,682	18,829	65,266
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	114,843	-	75,520	70,689	414,913	239,922
Total net assets (deficit)	114,843	-	75,520	70,689	414,913	239,922
Total liabilities and net assets	\$ 179,852	\$ -	\$ 116,486	\$ 125,371	\$ 433,742	\$ 305,188

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Shelter Fund	Olivier Street Project	Weatherization	HUD	Local Government Support (Matching Fund)	St. Martin Parish Emergency Assistance
ASSETS						
Current assets:						
Cash	\$ 347	\$ -	\$ 582	\$ 5,506	\$ 13,569	\$ 499
Receivables:						
Grant funds	-	-	12,022	-	21,036	-
Due from other funds	-	-	12,000	9,789	21,994	-
Other	-	-	-	-	-	-
Prepaid expenses	-	-	5	-	2,790	-
Total current assets	347	-	24,609	15,295	59,389	499
Property and equipment (net)	-	-	-	-	36,006	-
Total assets	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ 24,609</u>	<u>\$ 15,295</u>	<u>\$ 95,395</u>	<u>\$ 499</u>
LIABILITIES						
Liabilities:						
Current liabilities:						
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	5,669	3,378	43,056	-
Accounts payable	-	-	7,741	-	1,613	-
Notes payable	-	-	-	-	-	-
Retirement plan payable	-	-	-	-	-	-
Unearned grants	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total current liabilities	-	-	13,410	3,378	44,669	-
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	-	-	13,410	3,378	44,669	-
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	347	-	11,199	11,917	50,726	499
Total net assets (deficit)	347	-	11,199	11,917	50,726	499
Total liabilities and net assets	<u>\$ 347</u>	<u>\$ -</u>	<u>\$ 24,609</u>	<u>\$ 15,295</u>	<u>\$ 95,395</u>	<u>\$ 499</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Lafayette Community Action Council	Iberia Food & Medical	Homeless Family Shelter	Iberia Parish Special Trust	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter
ASSETS						
Current assets:						
Cash	\$ -	\$ 58	\$ -	\$ 803	\$ 6,754	\$ 39
Receivables:						
Grant funds	-	-	-	-	-	-
Due from other funds	-	583	-	11,165	-	-
Other	-	-	-	-	-	-
Prepaid expenses	-	-	-	944	-	-
Total current assets	-	641	-	12,912	6,754	39
Property and equipment (net)	-	-	-	-	-	-
Total assets	\$ -	\$ 641	\$ -	\$ 12,912	\$ 6,754	\$ 39
LIABILITIES						
Liabilities:						
Current liabilities:						
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	5,231	-	22,314	-	3,799
Accounts payable	-	1,517	-	-	-	-
Notes payable	-	-	-	-	-	-
Retirement plan payable	-	-	-	-	-	-
Unearned grants	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total current liabilities	-	6,748	-	22,314	-	3,799
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	-	6,748	-	22,314	-	3,799
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	-	(6,107)	-	(9,402)	6,754	(3,760)
Total net assets (deficit)	-	(6,107)	-	(9,402)	6,754	(3,760)
Total liabilities and net assets	\$ -	\$ 641	\$ -	\$ 12,912	\$ 6,754	\$ 39

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

	<u>Head Start</u>	<u>RSVP</u>	<u>Medicaid Enrollment</u>	<u>Cookbook Fund</u>	<u>Family Preservation</u>	<u>Payroll</u>
ASSETS						
Current assets:						
Cash	\$ 49,767	\$ 108	\$ 3,120	\$ 16,933	\$ 5,423	\$ 227,765
Receivables:						
Grant funds	-	16,005	2,380	-	-	-
Due from other funds	204,298	16,703	9,008	-	1,710	33,936
Other	-	-	-	-	-	-
Prepaid expenses	96,912	14	-	-	5	-
Total current assets	350,977	32,830	14,508	16,933	7,138	261,701
Property and equipment (net)	2,818,567	1,556	-	-	-	-
Total assets	<u>\$ 3,169,544</u>	<u>\$ 34,386</u>	<u>\$ 14,508</u>	<u>\$ 16,933</u>	<u>\$ 7,138</u>	<u>\$ 261,701</u>
LIABILITIES						
Liabilities:						
Current liabilities:						
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	29,882	773	-	1,746	10,254
Accounts payable	230,916	1,585	-	-	1,257	-
Notes payable	-	-	-	-	-	-
Retirement plan payable	4,652	-	-	-	-	-
Unearned grants	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	251,447
Total current liabilities	235,568	31,467	773	-	3,003	261,701
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	235,568	31,467	773	-	3,003	261,701
NET ASSETS						
Unrestricted	-	-	-	16,933	-	-
Temporarily restricted	2,933,976	2,919	13,735	-	4,135	-
Total net assets (deficit)	2,933,976	2,919	13,735	16,933	4,135	-
Total liabilities and net assets	<u>\$ 3,169,544</u>	<u>\$ 34,386</u>	<u>\$ 14,508</u>	<u>\$ 16,933</u>	<u>\$ 7,138</u>	<u>\$ 261,701</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

	Child Welfare Resource Center	Accounts Payable	Home Energy Assistance	Needy Family Food Distribution	General	Indirect Cost Pool
ASSETS						
Current assets:						
Cash	\$ 22,023	\$ 202,494	\$ 81,844	\$ -	\$ 76	\$ 46,299
Receivables:						
Grant funds	-	-	3,406	-	-	-
Due from other funds	14,969	34,237	28,699	-	1,528	117,228
Other	-	-	-	-	107	143
Prepaid expenses	1,334	-	-	-	-	4,938
Total current assets	38,326	236,731	113,949	-	1,711	168,608
Property and equipment (net)	7,946	-	2,156	-	557,054	15,017
Total assets	<u>\$ 46,272</u>	<u>\$ 236,731</u>	<u>\$ 116,105</u>	<u>\$ -</u>	<u>\$ 558,765</u>	<u>\$ 183,625</u>
LIABILITIES						
Liabilities:						
Current liabilities:						
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,128	236,731	5,382	-	90,148	1,056
Accounts payable	-	-	2,796	-	-	9,941
Notes payable	-	-	-	-	11,538	-
Retirement plan payable	-	-	-	-	-	242
Unearned grants	-	-	32,413	-	-	-
Other liabilities	-	-	-	-	-	-
Total current liabilities	2,128	236,731	40,591	-	101,686	11,239
Long-term liabilities:						
Notes payable	-	-	-	-	474,189	-
Total liabilities	2,128	236,731	40,591	-	575,875	11,239
NET ASSETS						
Unrestricted	-	-	-	-	(17,110)	-
Temporarily restricted	44,144	-	75,514	-	-	172,386
Total net assets (deficit)	44,144	-	75,514	-	(17,110)	172,386
Total liabilities and net assets	<u>\$ 46,272</u>	<u>\$ 236,731</u>	<u>\$ 116,105</u>	<u>\$ -</u>	<u>\$ 558,765</u>	<u>\$ 183,625</u>

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

	Computer Technology	Family Daycare	Group Mentoring	Fatherhood Initiative	Youth Initiative	Community Response Initiative
ASSETS						
Current assets:						
Cash	\$ 40,968	\$ -	\$ 3,742	\$ -	\$ 5,000	\$ 25,282
Receivables:						
Grant funds	-	-	-	-	-	13,450
Due from other funds	1,000	-	-	-	-	-
Other	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total current assets	41,968	-	3,742	-	5,000	38,732
Property and equipment (net)	75,466	-	-	-	-	-
Total assets	\$ 117,434	\$ -	\$ 3,742	\$ -	\$ 5,000	\$ 38,732
LIABILITIES						
Liabilities:						
Current liabilities:						
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	15,959	-	-	-	-	24,550
Accounts payable	623	-	137	-	-	6,219
Notes payable	-	-	-	-	-	-
Retirement plan payable	-	-	-	-	-	-
Unearned grants	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total current liabilities	16,582	-	137	-	-	30,769
Long-term liabilities:						
Notes payable	-	-	-	-	-	-
Total liabilities	16,582	-	137	-	-	30,769
NET ASSETS						
Unrestricted	-	-	-	-	-	-
Temporarily restricted	100,852	-	3,605	-	5,000	7,963
Total net assets (deficit)	100,852	-	3,605	-	5,000	7,963
Total liabilities and net assets	\$ 117,434	\$ -	\$ 3,742	\$ -	\$ 5,000	\$ 38,732

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Financial Position (Continued)
 Year Ended May 31, 2003
 With Comparative Totals for May 31, 2002

	Total	Eliminating Entries	Totals (Memorandum Only)	
			2003	2002
ASSETS				
Current assets:				
Cash	\$ 891,679	\$ -	\$ 891,679	\$ 653,104
Receivables:				
Grant funds	286,175	-	286,175	372,010
Due from other funds	691,147	(691,147)	-	-
Other	393	-	393	17,592
Prepaid expenses	146,191	-	146,191	82,356
Total current assets	2,015,585	(691,147)	1,324,438	1,125,062
Property and equipment (net)	4,112,161	-	4,112,161	4,130,092
Total assets	\$6,127,746	\$ (691,147)	\$ 5,436,599	\$ 5,255,154
LIABILITIES				
Liabilities:				
Current liabilities:				
Bank overdrafts	\$ -	\$ -	\$ -	\$ 1,903
Due to other funds	691,147	(691,147)	-	-
Accounts payable	303,699	-	303,699	70,453
Notes payable	20,159	-	20,159	18,606
Retirement plan payable	6,042	-	6,042	4,554
Unearned grants	32,413	-	32,413	32,413
Other liabilities	251,447	-	251,447	174,933
Total current liabilities	1,304,907	(691,147)	613,760	302,862
Long-term liabilities:				
Notes payable	480,727	-	480,727	501,036
Total liabilities	1,785,634	(691,147)	1,094,487	803,898
NET ASSETS				
Unrestricted	(177)	-	(177)	58,717
Temporarily restricted	4,342,289	-	4,342,289	4,392,539
Total net assets (deficit)	4,342,112	-	4,342,112	4,451,256
Total liabilities and net assets	\$6,127,746	\$ (691,147)	\$ 5,436,599	\$ 5,255,154

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Transportation	Summer Enrichment	Project Independence Jobs	CSBG	Early Childhood	Food Reimbursement
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ 269,549	\$ -
Donations	85,011	-	27,355	-	-	-
Total public support	85,011	-	27,355	-	269,549	-
Grants from governmental agencies	280,021	-	120,273	921,223	1,130,698	698,494
Other revenue:						
Miscellaneous	9,261	-	-	334	13,084	2,574
Total public support, grants from governmental agencies and other revenue	374,293	-	147,628	921,557	1,413,331	701,068
Expenses:						
Direct costs -						
Salaries and wages	182,505	-	116,896	517,296	514,908	166,453
Fringe benefits	25,314	-	12,435	54,177	62,415	16,245
Retirement plan	5,754	-	3,507	15,747	15,847	5,186
Depreciation	37,122	-	19,870	27,498	44,216	-
Contract services	-	-	-	35,875	10,900	-
Travel	621	-	585	12,700	15,707	1,692
Consumable supplies	3,943	-	3,441	23,018	34,604	48,507
Space costs	4,170	-	3,265	72,146	80,328	825
Repairs and maintenance	67,257	-	54,006	745	10,083	8,066
Operating services	77,530	-	29,496	51,495	60,414	489,102
Other	874	-	206	13,117	8,478	1,593
Interest expense	1,467	-	-	-	-	-
Indirect costs	17,238	-	11,105	502	48,608	15,768
In-kind contributions	-	-	-	-	269,549	-
Total expenses	423,795	-	254,812	824,316	1,176,057	753,437
Public support, grants from governmental agencies and other revenue over (under) expenses	(49,502)	-	(107,184)	97,241	237,274	(52,369)
Other increases (decreases) in net assets:						
Operating transfers in	189,069	85	162,254	-	-	159,552
Operating transfers out	(118,206)	(5,995)	(52,418)	(66,810)	(10,570)	(557)
Indirect cost transferred from programs	-	-	-	-	-	-
Gain (loss) on disposal of fixed assets	200	-	-	-	-	-
Total other increases (decreases) in net assets	71,063	(5,910)	109,836	(66,810)	(10,570)	158,995
Change in net assets	21,561	(5,910)	2,652	30,431	226,704	106,626
Net assets (deficit), beginning of year	93,282	5,910	72,868	40,258	188,209	133,296
Net assets (deficit), end of year	\$ 114,843	\$ -	\$ 75,520	\$ 70,689	\$ 414,913	\$ 239,922

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

	Shelter Fund	Olivier Street Project	Weatherization	HUD	Local Government Support (Matching Fund)	St. Martin Parish Emergency Assistance
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	1,647	-
Total public support	-	-	-	-	1,647	-
Grants from governmental agencies	-	-	144,433	10,812	180,955	25,816
Other revenue:						
Miscellaneous	-	-	-	-	5,366	-
Total public support, grants from governmental agencies and other revenue	-	-	144,433	10,812	187,968	25,816
Expenses:						
Direct costs -						
Salaries and wages	-	-	36,782	12,102	1,386	-
Fringe benefits	-	-	4,080	1,129	140	-
Retirement plan	-	-	1,104	363	42	-
Depreciation	47	-	-	-	8,182	-
Contract services	-	-	64,461	-	7,218	-
Travel	-	-	3,346	562	-	-
Consumable supplies	-	-	6,977	4,290	7,739	-
Space costs	-	-	1,400	-	27,367	-
Repairs and maintenance	46	-	-	-	2,278	-
Operating services	100	-	35,028	373	6,961	29,587
Other	-	-	737	-	340	1,320
Interest expense	-	-	-	-	-	-
Indirect costs	-	-	-	1,150	132	-
In-kind contributions	-	-	-	-	-	-
Total expenses	193	-	153,915	19,969	61,785	30,907
Public support, grants from governmental agencies and other revenue over (under) expenses	(193)	-	(9,482)	(9,157)	126,183	(5,091)
Other increases (decreases) in net assets:						
Operating transfers in	-	-	-	-	78,017	892
Operating transfers out	-	(15,075)	(13,246)	-	(126,777)	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	-	(15,075)	(13,246)	-	(48,760)	892
Change in net assets	(193)	(15,075)	(22,728)	(9,157)	77,423	(4,199)
Net assets (deficit), beginning of year	540	15,075	33,927	21,074	(26,697)	4,698
Net assets (deficit), end of year	\$ 347	\$ -	\$ 11,199	\$ 11,917	\$ 50,726	\$ 499

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Lafayette Community Action Council	Iberia Food & Medical	Homeless Family Shelter	Iberia Parish Special Trust	Lafayette Emergency Food & Shelter	Iberia Emergency Food & Shelter
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	-
Total public support	-	-	-	-	-	-
Grants from governmental agencies	-	9,167	-	-	5,540	19,363
Other revenue:						
Miscellaneous	-	-	-	-	-	-
Total public support, grants from governmental agencies and other revenue	-	9,167	-	-	5,540	19,363
Expenses:						
Direct costs -						
Salaries and wages	-	-	-	7,571	-	-
Fringe benefits	-	-	-	943	-	-
Retirement plan	-	-	-	227	-	-
Depreciation	-	-	-	-	-	-
Contract services	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-
Space costs	-	-	-	4,643	5,546	-
Repairs and maintenance	-	-	-	140	-	-
Operating services	-	14,135	-	1,339	949	19,344
Other	-	16	-	273	12	125
Interest expense	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses	-	14,151	-	15,136	6,507	19,469
Public support, grants from governmental agencies and other revenue over (under) expenses	-	(4,984)	-	(15,136)	(967)	(106)
Other increases (decreases) in net assets:						
Operating transfers in	-	596	-	750	-	150
Operating transfers out	(5)	-	(2,518)	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	(5)	596	(2,518)	750	-	150
Change in net assets	(5)	(4,388)	(2,518)	(14,386)	(967)	44
Net assets (deficit), beginning of year	5	(1,719)	2,518	4,984	7,721	(3,804)
Net assets (deficit), end of year	\$ -	\$ (6,107)	\$ -	\$ (9,402)	\$ 6,754	\$ (3,760)

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Head Start	RSVP	Medicaid Enrollment	Cookbook Fund	Family Preservation	Payroll
Public support:						
In-kind contributions	\$1,899,896	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	15,174	3,542	-	23,578	1,450	-
Total public support	1,915,070	3,542	-	23,578	1,450	-
Grants from governmental agencies	7,484,456	71,939	12,347	-	10,041	-
Other revenue:						
Miscellaneous	46,590	19	-	-	-	-
Total public support, grants from governmental agencies and other revenue	9,446,116	75,500	12,347	23,578	11,491	-
Expenses:						
Direct costs -						
Salaries and wages	4,678,490	41,712	11,319	-	4,272	-
Fringe benefits	525,189	4,743	1,227	-	479	-
Retirement plan	143,878	1,251	340	-	128	-
Depreciation	386,389	1,290	-	-	-	-
Contract services	168,976	-	-	-	500	-
Travel	97,697	691	-	-	1,033	-
Consumable supplies	164,693	2,166	-	-	2,330	-
Space costs	413,408	4,998	-	-	-	-
Repairs and maintenance	221,055	-	-	-	-	-
Operating services	595,467	10,989	-	6,456	5,029	-
Other	30,325	1,645	101	422	251	-
Interest expense	-	-	-	-	-	-
Indirect costs	441,895	3,963	-	-	406	-
In-kind contributions	1,899,896	-	-	-	-	-
Total expenses	9,767,358	73,448	12,987	6,878	14,428	-
Public support, grants from governmental agencies and other revenue over (under) expenses	(321,242)	2,052	(640)	16,700	(2,937)	-
Other increases (decreases) in net assets:						
Operating transfers in	75,780	100	-	-	-	-
Operating transfers out	(156,665)	(8,050)	-	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	(80,885)	(7,950)	-	-	-	-
Change in net assets	(402,127)	(5,898)	(640)	16,700	(2,937)	-
Net assets (deficit), beginning of year	3,336,103	8,817	14,375	233	7,072	-
Net assets (deficit), end of year	\$2,933,976	\$ 2,919	\$ 13,735	\$ 16,933	\$ 4,135	\$ -

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Child Welfare Resource Center	Accounts Payable	Home Energy Assistance	Needy Family Food Distribution	General	Indirect Cost Pool
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	-
Total public support	-	-	-	-	-	-
Grants from governmental agencies	46,343	-	1,939,686	-	35,837	-
Other revenue:						
Miscellaneous	-	-	-	-	-	634
Total public support, grants from governmental agencies and other revenue	46,343	-	1,939,686	-	35,837	634
Expenses:						
Direct costs -						
Salaries and wages	27,321	-	83,286	-	-	376,410
Fringe benefits	3,212	-	9,681	-	-	44,335
Retirement plan	820	-	2,505	-	-	11,746
Depreciation	6,066	-	37	-	28,043	5,006
Contract services	737	-	1,525	-	-	14,887
Travel	1,719	-	9,129	-	-	14,095
Consumable supplies	1,825	-	9,985	-	-	4,339
Space costs	2,736	-	4,200	-	-	40,171
Repairs and maintenance	422	-	-	-	-	11,021
Operating services	1,654	-	1,721,470	-	37	115,774
Other	319	-	4,198	-	372	18,132
Interest expense	-	-	-	-	47,099	-
Indirect costs	2,596	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses	49,427	-	1,846,016	-	75,551	655,916
Public support, grants from governmental agencies and other revenue over (under) expenses	(3,084)	-	93,670	-	(39,714)	(655,282)
Other increases (decreases) in net assets:						
Operating transfers in	36,086	-	-	-	37,725	70,204
Operating transfers out	-	-	(94,797)	(3,070)	(73,605)	(89,294)
Indirect cost transferred from programs	-	-	-	-	-	553,373
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	36,086	-	(94,797)	(3,070)	(35,880)	534,283
Change in net assets	33,002	-	(1,127)	(3,070)	(75,594)	(120,999)
Net assets (deficit), beginning of year	11,142	-	76,641	3,070	58,484	293,385
Net assets (deficit), end of year	\$ 44,144	\$ -	\$ 75,514	\$ -	\$ (17,110)	\$ 172,386

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	Computer Technology	Family Daycare	Group Mentoring	Fatherhood Initiative	Youth Initiative	Community Response Initiative
Public support:						
In-kind contributions	\$ -	\$ -	\$ -	\$ 3,112	\$ 1,845	\$ -
Donations	540	-	-	-	-	100
Total public support	540	-	-	3,112	1,845	100
Grants from governmental agencies	160,000	-	10,000	5,000	5,000	45,900
Other revenue:						
Miscellaneous	-	-	-	-	-	-
Total public support, grants from governmental agencies and other revenue	160,540	-	10,000	8,112	6,845	46,000
Expenses:						
Direct costs -						
Salaries and wages	45,219	-	1,106	-	-	24,213
Fringe benefits	5,288	-	329	-	-	3,763
Retirement plan	1,357	-	33	-	-	726
Depreciation	11,197	-	-	-	-	-
Contract services	2,373	-	-	7,002	-	-
Travel	467	-	743	-	-	1,410
Consumable supplies	35,328	-	429	443	-	941
Space costs	6,157	-	-	-	-	711
Repairs and maintenance	6,880	-	-	-	-	-
Operating services	-	-	3,635	579	-	16,607
Other	298	-	15	-	-	1,357
Interest expense	-	-	-	-	-	-
Indirect costs	4,296	-	105	-	-	2,300
In-kind contributions	-	-	-	3,112	1,845	-
Total expenses	118,860	-	6,395	11,136	1,845	52,028
Public support, grants from governmental agencies and other revenue over (under) expenses	41,680	-	3,605	(3,024)	5,000	(6,028)
Other increases (decreases) in net assets:						
Operating transfers in	11,558	-	-	3,024	-	13,991
Operating transfers out	-	(2,175)	-	-	-	-
Indirect cost transferred from programs	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-
Total other increases (decreases) in net assets	11,558	(2,175)	-	3,024	-	13,991
Change in net assets	53,238	(2,175)	3,605	-	5,000	7,963
Net assets (deficit), beginning of year	47,614	2,175	-	-	-	-
Net assets (deficit), end of year	\$ 100,852	\$ -	\$ 3,605	\$ -	\$ 5,000	\$ 7,963

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Combining Statement of Activities (Continued)
 Year Ended May 31, 2003
 With Comparative Totals for May 31, 2002

	Total (Memorandum Only)	
	2003	2002
Public support:		
In-kind contributions	\$ 2,174,402	\$ 2,116,808
Donations	158,397	25,542
Total public support	2,332,799	2,142,350
Grants from governmental agencies	13,373,344	12,420,533
Other revenue:		
Miscellaneous	77,862	101,902
Total public support, grants from governmental agencies and other revenue	15,784,005	14,664,785
Expenses:		
Direct costs -		
Salaries and wages	6,849,247	6,366,286
Fringe benefits	775,124	803,395
Retirement plan	210,561	174,658
Depreciation	574,963	535,708
Contract services	314,454	489,563
Travel	162,197	127,998
Consumable supplies	354,998	442,276
Space costs	672,071	593,471
Repairs and maintenance	381,999	298,388
Operating services	3,293,550	2,231,542
Other	84,526	91,014
Interest expense	48,566	16,879
Indirect costs	550,064	612,978
In-kind contributions	2,174,402	2,117,659
Total expenses	16,446,722	14,901,815
Public support, grants from governmental agencies and other revenue over (under) expenses	(662,717)	(237,030)
Other increases (decreases) in net assets:		
Operating transfers in	839,833	49,667
Operating transfers out	(839,833)	(49,667)
Indirect cost transferred from programs	553,373	610,944
Loss on disposal of fixed assets	200	(941)
Total other increases (decreases) in net assets	553,573	610,003
Change in net assets	(109,144)	372,973
Net assets (deficit), beginning of year	4,451,256	4,078,283
Net assets (deficit), end of year	\$ 4,342,112	\$ 4,451,256

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Indirect Cost Pool
Statements of Revenue and Expenses
Years Ended May 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenue:		
Indirect cost revenues	<u>\$ 554,007</u>	<u>\$ 611,354</u>
Expenses:		
Direct costs -		
Salaries and wages	376,410	264,132
Fringe benefits	44,335	31,453
Retirement expense	11,746	8,808
Depreciation	5,006	5,006
Contract services	14,887	16,187
Travel	14,095	6,780
Consumable supplies	4,339	15,565
Repairs and maintenance	11,021	9,263
Other	18,132	19,915
Operating services -		
Copy machine expense	18,657	16,637
Auto expenses	8,119	6,691
Professional fees	61,836	106,549
Rent	7,425	8,580
Utilities and telephone	32,746	25,448
Office supplies	18,302	11,039
Publications and subscriptions	2,584	5,208
Insurance - general	3,244	2,845
Employee development	<u>3,032</u>	<u>4,145</u>
Total expenses	<u>655,916</u>	<u>564,251</u>
Excess (deficiency) of revenue over expenses	<u>\$ (101,909)</u>	<u>\$ 47,103</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses
Year Ended May 31, 2003
With Comparative Totals for May 31, 2002

	PROGRAM SERVICES					
	Project		Food Reimbursement	Shelter Fund	Olivier Street Project	Weatherization
	Transportation	Independence Jobs				
Salaries and wages	\$ 182,505	\$ 116,896	\$ 517,296	\$ -	\$ -	\$ 36,782
Fringe benefits	25,314	12,435	54,177	-	-	4,080
Retirement plan	5,754	3,507	15,747	-	-	1,104
Total salaries and related expenses	213,573	132,838	587,220	-	-	41,966
Contract services	-	-	35,875	-	-	64,461
Travel	621	585	12,700	-	-	3,346
Consumable supplies	3,943	3,441	23,018	-	-	6,977
Space costs	4,170	3,265	72,146	-	-	1,400
Repairs and maintenance	67,257	54,006	745	46	-	-
Operating services	77,530	29,496	51,495	100	-	35,028
Other	874	206	13,117	-	-	737
Interest expense	1,467	-	-	-	-	-
Indirect costs	17,238	11,105	502	-	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses before depreciation	386,673	234,942	796,818	146	-	153,915
Depreciation of equipment	37,122	19,870	27,498	47	-	-
Total expenses	\$ 423,795	\$ 254,812	\$ 824,316	\$ 193	\$ -	\$ 153,915

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

	PROGRAM SERVICES					
	Local	St. Martin	Iberia	Homeless	Iberia	
	Government	Emergency	Food &	Family	Food &	
HUD	Support	Assistance	Medical	Shelter	Medical	
	(Matching Fund)					Trust
Salaries and wages	\$ 12,102	\$ -	\$ -	\$ -	\$ -	\$ 7,571
Fringe benefits	1,129	-	-	-	-	943
Retirement plan	363	-	-	-	-	227
Total salaries and related expenses	13,594	1,568	51,864	-	-	8,741
Contract services	-	-	-	-	-	-
Travel	562	-	2,373	-	-	-
Consumable supplies	4,290	-	467	-	-	-
Space costs	-	-	35,328	-	-	-
Repairs and maintenance	-	-	6,157	-	-	4,643
Operating services	373	-	6,880	-	-	140
Other	-	29,587	-	-	14,135	1,339
Interest expense	-	1,320	-	-	16	273
Indirect costs	1,150	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-
Total expenses before depreciation	19,969	30,907	107,663	-	14,151	15,136
Depreciation of equipment	-	-	11,197	-	-	-
Total expenses	\$ 19,969	\$ 30,907	\$ 118,860	\$ -	\$ 14,151	\$ 15,136

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

PROGRAM SERVICES

	Lafayette	Iberia						
	Emergency Food & Shelter	Emergency Food & Shelter	Headstart	RSVP	Medicaid Enrollment	Cookbook Fund	Family Preservation	
Salaries and wages	\$ -	\$ -	\$ 4,678,490	\$ 41,712	\$ 11,319	\$ -	\$ 4,272	
Fringe benefits	-	-	525,189	4,743	1,227	-	479	
Retirement plan	-	-	143,878	1,251	340	-	128	
Total salaries and related expenses	-	-	5,347,557	47,706	12,886	-	4,879	
Contract services	-	-	168,976	-	-	-	500	
Travel	-	-	97,697	691	-	-	1,033	
Consumable supplies	-	-	164,693	2,166	-	-	2,330	
Space costs	5,546	-	413,408	4,998	-	-	-	
Repairs and maintenance	-	-	221,055	-	-	-	-	
Operating services	949	19,344	595,467	10,989	-	6,456	5,029	
Other	12	125	30,325	1,645	101	422	251	
Interest expense	-	-	-	-	-	-	-	
Indirect costs	-	-	441,895	3,963	-	-	406	
In-kind contributions	-	-	1,899,896	-	-	-	-	
Total expenses before depreciation	6,507	19,469	9,380,969	72,158	12,987	6,878	14,428	
Depreciation of equipment	-	-	386,389	1,290	-	-	-	
Total expenses	\$ 6,507	\$ 19,469	\$ 9,767,358	\$ 73,448	\$ 12,987	\$ 6,878	\$ 14,428	

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)
 Year Ended May 31, 2003
 With Comparative Totals for May 31, 2002

	PROGRAM SERVICES						
	Home Energy Assistance	Needy Family Food Distribution	Early Childhood	Child Welfare Resource Center	Group Mentoring	Fatherhood Initiative	Youth Initiative
Salaries and wages	\$ 83,286	\$ -	\$ 514,908	\$ 27,321	\$ 1,106	\$ -	\$ -
Fringe benefits	9,681	-	62,415	3,212	329	-	-
Retirement plan	2,505	-	15,847	820	33	-	-
Total salaries and related expenses	95,472	-	593,170	31,353	1,468	-	-
Contract services	1,525	-	10,900	737	-	7,002	-
Travel	9,129	-	15,707	1,719	743	-	-
Consumable supplies	9,985	-	34,604	1,825	429	443	-
Space costs	4,200	-	80,328	2,736	-	-	-
Repairs and maintenance	-	-	10,083	422	-	-	-
Operating services	1,721,470	-	60,414	1,654	3,635	579	-
Other	4,198	-	8,478	319	15	-	-
Interest expense	-	-	-	-	-	-	-
Indirect costs	-	-	48,608	2,596	105	-	-
In-kind contributions	-	-	269,549	-	-	3,112	1,845
Total expenses before depreciation	1,845,979	-	1,131,841	43,361	6,395	11,136	1,845
Depreciation of equipment	37	-	44,216	6,066	-	-	-
Total expenses	\$ 1,846,016	\$ -	\$ 1,176,057	\$ 49,427	\$ 6,395	\$ 11,136	\$ 1,845

(continued)

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Statement of Functional Expenses (Continued)

Year Ended May 31, 2003

With Comparative Totals for May 31, 2002

	PROGRAM SERVICES		SUPPORT SERVICES		Totals (Memorandum Only)	
	Community Response Initiative	Total Program Services	General	Indirect Cost Pool	2003	2002
Salaries and wages	\$ 24,213	\$ 6,472,837	\$ -	\$ 376,410	\$ 6,849,247	\$ 6,366,286
Fringe benefits	3,763	730,789	-	44,335	775,124	803,395
Retirement plan	726	198,815	-	11,746	210,561	174,658
Total salaries and related expenses	28,702	7,402,441	-	432,491	7,834,932	7,344,339
Contract services	-	299,567	-	14,887	314,454	489,563
Travel	1,410	148,102	-	14,095	162,197	127,998
Consumable supplies	941	350,659	-	4,339	354,998	442,276
Space costs	711	631,900	-	40,171	672,071	593,471
Repairs and maintenance	-	370,978	-	11,021	381,999	298,388
Operating services	16,607	3,177,739	37	115,774	3,293,550	2,231,542
Other	1,357	66,022	372	18,132	84,526	91,014
Interest expense	-	1,467	47,099	-	48,566	16,879
Indirect costs	2,300	550,064	-	-	550,064	612,978
In-kind contributions	-	2,174,402	-	-	2,174,402	2,117,659
Total expenses before depreciation	52,028	15,173,341	47,508	650,910	15,871,759	14,366,107
Depreciation of equipment	-	541,914	28,043	5,006	574,963	535,708
Total expenses	\$ 52,028	\$ 15,715,255	\$ 75,551	\$ 655,916	\$ 16,446,722	\$ 14,901,815

The accompanying notes are an integral part of this statement.

COMPLIANCE, INTERNAL CONTROL

AND

OTHER GRANT INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

WEB SITE:
WWW.KCSRCPAS.COM

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA
Robert S. Carter, CPA
Daniel W. Alexander, CPA

* A Professional Accounting Corporation

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

We have audited the financial statements of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization) as of and for the year ended May 31, 2003 and have issued our report thereon dated August 7, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the St. Martin, Iberia, Lafayette Community Action Agency, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

183 South Beadie Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddit
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

This report is intended solely for the information and use of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
August 7, 2003

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
Conrad O. Chapman, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

WEB SITE:
WWW.KCSRPCAS.COM

MEMBER OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Allen J. LaBry, CPA
Harry J. Clostio, CPA
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Kelly M. Doucet, CPA
Kenneth J. Rachal, CPA
Cheryl L. Bartley, CPA
Robert S. Carter, CPA

* A Professional Accounting Corporation

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
St. Martin, Iberia, Lafayette
Community Action Agency, Inc.
Lafayette, Louisiana

Compliance

We have audited the compliance of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. (a nonprofit organization), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended May 31, 2003. The St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s major federal programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, the St. Martin, Iberia, Lafayette Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended May 31, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 03-1.

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70511
Phone (337) 893-7944
Fax (337) 893-7946

Internal Control Over Compliance

The management of the St. Martin, Iberia, Lafayette, Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the St. Martin, Iberia, Lafayette Community Action Agency, Inc.'s management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
August 7, 2003

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedules of Expenditures of Federal Awards
Year Ended May 31, 2003

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Health and Human Services</u>			
Direct Programs:			
Head Start*	93.600	-	\$ 7,620,052
Early Childhood*	93.600	-	1,084,647
State Department of Social Services -			
Office of Community Services -			
Home Energy Assistance Program	93.568	528403	1,848,171
Family Preservation	93.556	549540	14,428
State Department of Social Services -			
Office of Family Support -			
Project Independence	93.561	568097	234,942
Child Welfare Resource Center	93.556	539927	43,361
Transportation Initiative	93.558	590299	46,590
Community Response Initiative	93.558	590240	45,900
Group Mentoring	93.600	589350	10,000
Fatherhood Initiative	93.600	588766	5,000
Youth Initiative	93.600	588768	5,000
State Department of Labor -			
Community Service Block Grant*	93.569	2003N0024	810,200
State Department of Health and Hospitals -			
Medicaid Enrollment Program	93.775	4050668	12,987
Total Department of Health and Human Services			<u>11,781,278</u>
<u>The Corporation for National Service</u>			
Direct Program:			
Retired Senior Volunteer Program	94.002	-	<u>72,802</u>

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedules of Expenditures of Federal Awards (continued)
Year Ended May 31, 2003

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U. S. Department of Housing and Urban Development</u>			
Direct Program:			
Housing Counseling Assistance Program	14.169	-	<u>19,969</u>
<u>U. S. Department of Agriculture</u>			
State Department of Education - Food Reimbursement*	10.558	-	<u>753,437</u>
<u>U.S. Department of Energy</u>			
State Department of Social Services - Office of Community Services - Weatherization	81.042	515946	<u>153,915</u>
<u>U.S. Department of Education</u>			
Direct Program:			
Community Technology Centers	84.341	V341A010713	<u>135,169</u>
<u>Other Federal Assistance</u>			
FEMA:			
Emergency Food and Shelter			
Iberia	83.523	-	19,469
Lafayette	83.523	-	6,507
St. Martin	83.523	-	<u>30,907</u>
Total other federal assistance			<u>56,883</u>
Total expenditures of federal awards			<u>\$12,973,453</u>

*Major federal financial assistance programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Notes to Schedules of Expenditures of Federal Awards
Year Ended May 31, 2003

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Martin, Iberia, Lafayette Community Action Agency, Inc. The St. Martin, Iberia, Lafayette, Community Action Agency, Inc. reporting entity is defined in Note 1 to the financial statements for the year ended May 31, 2003. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The Head Start, Early Childhood, CSBG, and Food Reimbursement programs were considered major federal programs for the St. Martin, Iberia, Lafayette Community Action Agency, Inc.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the St. Martin, Iberia, Lafayette, Community Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

(3) Relationship to Federal Financial Reports

A reconciliation of total expenditures of federal awards reported in the Schedules of Expenditures of Federal Awards to total expenses per statement of functional expenses is as follows:

	<u>2003</u>
Total expenses per statement of functional expenses	\$ 16,446,722
Add: Equipment additions	556,833
Less: In-kind contributions	2,174,402
Depreciation	574,963
Non-federal expenses	<u>1,280,737</u>
Total expenditures per schedule of federal awards	<u>\$ 12,973,453</u>

The total in-kind contributions of \$2,174,402 and depreciation expense in the amount of \$496,563 were for federal programs.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs
Year Ended May 31, 2003

Part I. Summary of Auditor's Results:

1. The auditors' report expresses an unqualified opinion on the financial statements of St. Martin, Iberia, Lafayette Community Action Agency, Inc.
2. No reportable condition in internal control was disclosed by the audit of the financial statements.
3. The audit disclosed no instances of noncompliance that are material to the financial statements.
4. No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
5. The auditors' report on compliance for the major federal award programs expresses an unqualified opinion on all major programs.
6. Audit findings relative to the major federal award programs are reported in this schedule.
7. The major programs were:
U. S. Department of Health and Human Services: Head Start and Early Childhood, CFDA 93.600.
U.S. Department of Health and Human Services/State Department of Labor, CFDA 93.569.
U.S. Department of Agriculture/State Department of Education, CFDA 10.558.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$387,933.
9. SMILE did not qualify as a low risk auditee.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings

There are no compliance findings that are required to be reported at May 31, 2003.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Schedule of Findings and Questioned Costs (continued)
Year Ended May 31, 2003

B. Internal Control Findings

There are no internal control findings that are required to be reported at May 31, 2003.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

U.S. Department of Health and Human Services
CSBG – CFDA 93.569
Subgrant No. 2003N0024

03-1 Ineligibility of applicants

Condition and Criteria: Assistance was provided to two applicants, who were not eligible for assistance due to their income exceeding the poverty guidelines.

Effect: The \$211 in assistance paid to the two ineligible applicants is questioned costs.

Cause: This occurred because the procedures in place were not adhered to.

	<u>Numbers</u>	<u>Dollars</u>
Population size	1,498	\$42,024
Items tested	40	\$ 5,645
Items not in compliance	2	\$ 211

Auditor's Recommendation: Procedures should be followed and strictly adhered to.

Grantee Response: We agree with the finding. Ms. Irma Bourgeois, Director of Field Operations, will make sure all eligible applicants meet the poverty guidelines.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended May 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
CURRENT YEAR (5/31/03)						

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Compliance:

There were no compliance findings to be reported.

Internal Control Over Financial Reporting:

There were no internal control findings to be reported.

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

03-1	5/31/2003	U.S. Department of Health and Human Services CSBG - CFDA 93.569 Subgrant No. 2003N0024	Ms. Irma Bourgeois, Director of Field Operations, will make sure all eligible applicants meet the poverty guidelines.	Brenda Foulcard, Finance Director	Immediately
------	-----------	--	---	--	-------------

Ineligibility of applicants

Condition and Criteria: Assistance was provided to two applicants, which were not eligible for assistance due to their income exceeding the poverty guidelines.

Effect: The \$211 in assistance paid on behalf of the two ineligible applicants is questioned costs.

Cause: This occurred because the procedures in place were not adhered to.

Population size was 1,498, Dollar amount was \$42,024

Items tested were 40, Dollar amount was \$5,645

Items not in compliance were 2, Dollar amount was \$211

Auditor's Recommendation: Procedures should be followed and strictly adhered to.

ST. MARTIN, IBERIA, LAFAYETTE COMMUNITY ACTION AGENCY, INC.

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended May 31, 2003

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date Of Completion
----------	---	------------------------	-------------------------------	---------------------------	------------------------------	--------------------------------------

PRIOR YEAR (5/31/02)

Internal Control Over Financial Reporting:

02-1	5/31/2002	<u>Inaccurate financial statements</u>	Yes			
------	-----------	--	-----	--	--	--

Condition: Several problems were noted in attempting to verify financial statement account balances. These problems consisted of improper recording of information on the general ledger, improper reconciliation of financial statement information to supporting documentation, inaccurate financial statements being prepared, and inadequate review of financial statements. Much of this problem was caused by a conversion of data from one computer accounting system to a new computer accounting system.

Criteria: Internal controls should be in place to provide reasonable assurances that accurate financial statements are being prepared and that there is adequate review of the financial statements to reduce the likelihood of misstatements in the financial statements.

Effect: Amounts were recorded on the general ledger multiple times or were recorded in the wrong accounts. This resulted in inaccurate financial statements during the year.

Recommendation: We recommend that the financial statements be reviewed adequately and on a timely basis. Balance sheet accounts should be reconciled to supporting documentation and revenue and expense accounts should be reviewed for reasonableness.